

# **STATE OF MONTANA STANDARD LEASE CONTRACT**

**Last Revised February 2007**

## **1. PARTIES**

This lease #6456 is entered into this 14th day of November 2007, by and between the Montana Department of Corrections, located at 1539 11<sup>th</sup> Avenue, Helena, Montana 59620, hereinafter referred to as the "Department" and G&J Inc, located at 609 Wise's Way, Corvallis Mt. 59828, hereinafter referred to as the "Contractor".

## **2. PURPOSE OF LEASE**

The Department has a need to lease premises in Hamilton, Montana, for the purpose of office space for Probation and Parole.

The Contractor has premises available for lease in Hamilton, Montana, suitable for stated purpose. The Contractor and the Department therefore agree as follows:

## **3. PREMISES DESCRIPTION**

The area of space being leased consists of 1000 square feet, and includes the right to use common areas within the leased premise. The premises are located at 1782 N 1<sup>st</sup> St, Unit E, Hamilton Mt 59840.

## **4. TERM OF LEASE**

The term of this lease shall be on a month to month term, beginning on the 12th day of December 2007 and continue on a month to month tenancy that may be terminated with a written 30 day notice by either party to this lease.

## **5. CONSIDERATION**

The amount of rent the Department shall pay to the Contractor per month shall be \$1,000.00. This reflects a rate of \$12.00 per square foot per year.

The Department shall make monthly lease payments without the need for a separate invoice from the Contractor. The lease payments are due on the first business day of the month. Contractor may request payments be made by electronic funds transfer by submitting a completed Standard Form 1199A (Direct Deposit Sign-Up Form) to the Department. Such an election shall remain in force until cancelled by Contractor with 30 day's advance written notice to the Department.

## **6. RENEWAL OPTION**

N/A

## **7. UTILITIES AND SERVICES**

The Contractor shall furnish and pay all utilities, **including water, gas, electricity, heat, grounds maintenance, building maintenance, garbage removal, sewer use charges and weed and pest control.**

The Contractor shall re-key all access doors and provide adequate keys for the space at Contractor expense prior to occupancy. After occupancy, the Department shall be responsible for lost keys or re-keying if claim is caused by Department.

The **Contractor** shall be responsible for providing janitorial services as listed in Attachment "A", at Contractor's expense.

The Department shall be responsible for providing data and phone systems and wiring.

## **8. PARKING SPACE**

Contractor agrees to provide at a minimum 7 parking spaces, including the requisite number of handicapped spaces in compliance with the American With Disabilities Act as part of the leased premises at no additional charge or cost to the Department.

## **9. PARKING AREA AND SIDEWALK MAINTENANCE**

Contractor agrees to keep the parking area and sidewalks in good repair, and to timely remove snow, ice, sand, gravel and debris from the parking area and sidewalks.

## **10. NOTICE PROTOCOL**

Any notice or demand required or permitted to be given under this lease must be in writing. Written notice shall be deemed given when hand delivered, or when mailed by first class mail, postage prepaid, to the addresses specified in this section.

The Contractor's address for purpose of receiving demand or notice is G&J Inc, located at 609 Wise's Way, Corvallis Mt. 59828,

The Contractor's representative for purposes under this lease is Glenn or Janet Wise, telephone (406) 360-1756 or 406-360-5704.

The Department's address for the purpose of receiving notice is Montana Department of Corrections, 1539 11<sup>th</sup> Avenue, Helena, MT 59620-1301.

The Department's representative for purposes under this lease is Landee Holloway, telephone (406) 542-7132.

If either party changes its address or contact person, it must notify the other party in writing at the address provided in this section.

#### **11. QUIET ENJOYMENT**

The Department has the right to quiet and peaceful enjoyment and utilization of the leased premises for the term of this lease upon paying the rents as provided and upon Department adherence to performance conditions set forth by and in this lease.

#### **12. INSPECTION**

The Department shall permit upon prior notice, the Contractor or its agent to enter into and upon the premises at all reasonable times to maintain or inspect the building in which the leased premises are located or to make repairs, alterations or additions to any portion of the building, including, but not limited to, the installation and maintenance of scaffolding, canopies, fences, or props as may be needed.

#### **13. MAINTENANCE OF PREMISES**

Contractor shall, at its own cost and expense, keep and maintain in good working order and repair during the term of this lease or any extension thereof, the exterior of the premises including the roof, the interior, all fixtures in the building (except those owned by the Department), and all plumbing, heating, ventilation, air conditioning, window treatments/blinds and electrical circuits. The Contractor, at its own cost and expense shall be responsible for the replacement of light bulbs, fluorescent tubes and other lighting elements and shall do so within 7 working days after notification.

The Department shall notify the Contractor in writing immediately of any damage or need for repair. Contractor shall make or cause to be made the necessary repairs as soon as possible after receiving notice. The Department shall be financially responsible only in cases of damages resulting from the Department's negligence or that of its employees.

Should the Contractor fail to make or begin to make necessary repairs within thirty (30) days after U. S. Postal Service postmark of written notification of damages by the Department to the

Contractor, the Department may then make necessary repairs at the Contractor's expense at the lowest reasonable cost.

An itemized statement of repairs made by the Department under this section, including receipt verification of labor and materials may be tendered in lieu of full or partial payment of rent due for the succeeding months until the cost of the work performed is fully credited against rent due under this lease.

#### **14. CASUALTY OR FIRE DAMAGE**

In the event the leased premises becomes twenty-five percent (25%) or more destroyed or made uninhabitable, or if the premises are condemned by a proper authority, this lease may be terminated by the Department.

If the premises are less than twenty-five percent (25%) destroyed or made uninhabitable, the rent shall be reduced by the proportion the premises have been rendered uninhabitable or declared unsafe.

If the premises are not restored, or cannot be restored, and returned to proper condition for use and occupancy within thirty (30) days of the casualty, then either the Contractor or the Department may terminate this lease on ten (10) days written notice to the other party.

Upon written notice of termination under this section, the Contractor shall refund any unearned rent paid by the Department, and the Department shall have no further obligation to the Contractor under this lease. Contractor shall continue to insure the premises until Department's personal property is removed from the premises. The Department shall have 30 days after termination of this lease to remove its property from the premises.

#### **15. ALTERATIONS TO PREMISES**

The Department agrees to make no alteration to the premises without the prior written consent of the Contractor.

The Department shall obtain prior approval from Contractor for installation of phone systems and data wiring.

#### **16. SIGNS**

The Contractor shall provide and install on the exterior of the premises a suitable sign or signs to advertise the Department's presence in and on the premises at Department's expense.

## **17. HOLD HARMLESS AND INDEMNIFICATION CLAUSE**

The Contractor agrees to protect, defend, and save the Department, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, and causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the Contractor and/or its agents, employees, representatives, assigns and subcontractors under this lease except for the negligence of the Department.

## **18. INSURANCE SPECIFICATIONS**

### **a. Property**

At its sole cost and expense, the contractor shall keep the building and all other improvements on the premises insured throughout the term of the agreement against the following hazards:

- Loss or damage by fire and such other risks (not including earthquake damage) in an amount sufficient to permit such insurance to be written at all times on a replacement costs basis. This may be insured against by attachment of standard form extended coverage endorsement to fire insurance policies.
- Loss or damage from leakage or sprinkler systems now or hereafter installed in any building on the premises.
- Loss or damage by explosion of steam boilers, pressure vessels, and oil or gasoline storage tanks, or similar apparatus now or hereafter installed in a building or buildings on the premises.

### **b. General Liability**

- General Liability: the Contractor shall purchase Occurrence coverage with combined single limits of \$1 million per occurrence/\$2 million aggregate per year for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the project/location or the general aggregate limit shall be twice the required occurrence limit. This insurance must be from an insurer licensed to do business in Montana or a domiciliary state and with a Bests rating of no less than A-. The Contractor must provide 30 days written notice to the Department of any material change in coverage including cancellation and that the Department reserves the right to request copies of the Contractors insurance coverage at any time.

The Contractors insurance coverage shall be primary insurance as respects the Department, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Department, its officers, officials, employees, or volunteers shall be excess of the Contractors insurance and shall not contribute with it.

## **19. COMPLIANCE WITH LOCAL, STATE AND FEDERAL LAWS**

The Contractor must comply with all applicable state and federal law. This includes, but is not limited to, the Montana Human Rights Act, the Civil Rights Act of 1964, the Age discrimination Act of 1975, the Americans with Disabilities Act of 1990, PL 101-336, Section 504 of Rehabilitation Act of 1973 **and 18-5-401, MCA et seq. concerning the Blind Enterprise Program's vending facility rules.**

The Contractor agrees to conform to all rules and regulations adopted under the Montana Safety Act and the Act itself. The Contractor further agrees to comply with the ordinances and laws of the County of Ravalli, and the State of Montana, affecting the use of the premises and to assume all legal responsibility for any charges or damages for non-observance.

The Contractor agrees to provide the Department of Administration, the Legislative Auditor, the Legislative Fiscal Analyst, or their authorized agents access to any records concerning this lease.

The Contractor agrees to create and retain all records supporting the services rendered or goods delivered for a period of three years after either the completion date of this lease or the conclusion of any claim, litigation or exception relating to this lease taken by the state of Montana or a third party.

**The Contractor warrants that the space is ADA accessible and compliant.**

## **20. ENVIRONMENTAL HAZARDS**

The Contractor hereby represents and warrants that no leak, spill, release, discharge, emission or disposal of hazardous or toxic substances has occurred on the leased premises to date and that the soil and groundwater on or under the leased premises are free of toxic or hazardous substances as of the date that the term of this lease commences.

The Contractor represents and warrants that the leased space shall be free of all asbestos containing materials, except undamaged vinyl asbestos floor tile in the space or undamaged boiler or pipe insulation outside the space. Radon levels in the demised premises shall not equal or exceed the Environmental Protection Agency (EPA) action level for homes or 4 Pico curies per liter (PCI/L).

If at any time, the Department determines that the demised premises poses a significant

environmental hazard to its employees, this lease may be terminated with a minimum of thirty (30) days written notice.

## **21. HOLDOVER TENANCY**

In the event the Department holds the premises beyond the terms of this lease, in the absence of a written agreement to the contrary, it shall be deemed a month-to-month tenancy subject to all terms and conditions of this lease. This holdover tenancy may be terminated at any time by either the Contractor or the Department by means of a 30-day written notice delivered prior to the beginning of the final month.

## **22. TERMINATION**

The Contractor acknowledges, understands, and agrees that the Department, as a state agency, is dependent upon state and federal appropriations for its funding. In the event state or federal government funds available for this purpose are reduced, the Department may cancel this lease by giving thirty (30) days written notice to the Contractor.

The Department shall not be liable to the Contractor for any amount which would have been payable had the lease not been terminated under this provision. The Department shall be liable to the Contractor only for the amount owed to the Contractor up to the date the Department vacates the premises.

If either party to this lease defaults in the performance of any term or condition of this lease, the other party may give the defaulting party notice of the default, which notice shall specify the action required to correct the default and a period of time of not less than (30) days within which to correct the default. If the default is not corrected within the time specified in the notice, the party not in default may terminate this lease without further obligation under this lease, other than obligations incurred or accrued to the date of termination.

At the expiration or termination of this lease or any extension of it, the Department will vacate and surrender the premises to the Contractor in as good condition and repair as when it took possession, reasonable wear and tear excepted. All property and fixtures placed in the premises by the Department or owned by the State of Montana may be removed by the Department within thirty days of termination.

## **23. SEVERABILITY**

It is understood and agreed by the parties hereto that if any term or provision of this lease is held to be illegal, void or in conflict with any Montana law, the validity of the remaining terms and

conditions shall not be affected. The rights and obligations of the parties shall be construed and enforced as if this lease did not contain the particular term, condition, or provision held to be invalid.

**24. VENUE AND INTERPRETATION**

The Contractor and Department agree that this lease shall be governed and interpreted according to the laws of the State of Montana. In the event of a dispute arising over this lease, the proper venue for the hearing of the case is the District Court of the County of Ravalli.

**25. SUCCESSORS**

All rights and liabilities herein given to or imposed upon both parties shall extend to, be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

**26. LEASE APPROVAL**

This entire lease, in addition to any change, alteration, or renewal thereof, addendum, amendment, or letter of understanding, is subject to prior approval by the Department of Administration.

**27. ENTIRE LEASE**

This contract consisting of ten (10) pages, sections 1 through 29 and the attached Janitorial Specifications, contain the entire contract between the Contractor and the Department. Any agreement hereafter made shall not be effective to modify this lease unless it is in writing and signed by both parties and the Department of Administration.

**28. SUBLEASE**

The Department shall have the right to sublet the premises to a Sublessee, with the consent of the Contractor, which consent shall not be unreasonably withheld.

**29. SMOKE FREE ENVIRONMENT**

The Contractor shall make the portions of the building occupied by state agencies smoke-free. "Smoke" means smoke from a lighted cigar, cigarette, or pipe or any other lighted tobacco product as defined in MCA 50-40-202.



IN WITNESS HEREOF, all parties have entered into and executed this lease:

CONTRACTOR

By: \_\_\_\_\_

Glenn or Janet Wise  
G&J Inc.

12/03/07  
Date

DEPARTMENT

By: \_\_\_\_\_

Pam Bunke  
Adult Community Corrections Division

11-27-07  
Date

PRIOR APPROVAL BY THE DEPARTMENT OF ADMINISTRATION

By: \_\_\_\_\_

Garett M. Bacon

11-14-2007  
Date

**THIS LEASE HAS BEEN APPROVED FOR LEGAL CONTENT BY THE DEPARTMENT  
OF ADMINISTRATION'S LEGAL COUNSEL.**

## **ATTACHMENT "A"**

### **JANITORIAL SPECIFICATIONS**

All janitorial work, equipment and supplies necessary to accomplish the duties described will be furnished by the Contractor.

1. The janitorial supply list includes but is not limited to:
  - a. Hand towels and toilet tissue;
  - b. Restroom hand soap for dispensers;
  - c. Trash can liners; and
  - d. Entrance or walk-off mats.
2. Two Times per week:
  - a. Clean and sanitize plumbing fixtures, and toilet rooms (sinks, showers, toilets, mirrors, etc.)
  - b. Remove all trash from building.
  - c. Cleaning supplies: re-stock toilet tissue, towels, soap, etc. in restrooms.
3. Weekly Requirements:
  - a. Vacuum all areas of carpeting.
  - b. Clean interior glass by each doorway.
  - c. Floor sweeping and damp mopping all tiled areas
  - d. Vacuum carpet, using industrial type vacuum cleaner with a power head in entrance area and hallways.
4. Semi-annual Requirements:
  - a. N/A.